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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

April 6, 2005

Supervisor 1027

Mine Name: Hi-Cal 1

Operator Name:

Robert Steele
1055 North 400 East
Nephi, Utah 84648

Inspector(s): Tom Munson

Other Participants:

Mine Status: Active

Permit number: M230071

Inspection Date: Mar. 24, 2005

Time: 1:30PM-2:30PM

Weather: Sunny

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

The purpose of this inspection was to determine if there was any legitimate reason to lower the bond from the calculated amount of \$28,000. The Division currently holds \$20,000 dollars. The operator has regraded a highwall and asked if this could lower the bond costs. The last inspection we failed to GPS the whole site and since the operator has not done this, the purpose of this inspection was both to determine total acreage and an annual inspection.

Directions to Site:

The site is about 15 miles west of Nephi, Utah.

Inspection Summary:

The operator was concerned that the bond costs were way too high and that he was not willing to come up with the additional money calculated by the Division. Since it was up to Mr. Steele to modify his plan, he submitted what he felt was adequate paperwork to modify his plan. After a review of these submittals a letter will be sent to Mr. Steele, stating what will be necessary to complete this plan. Until this additional information is complete the plan can not be modified or approved. Some additional area has been disturbed to the South of the main mine site, bringing the total disturbance to 6.95 acres.

Inspection Date: March 24, 2006; Report Date: April 6, 2005
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M/023/071

There was a trackhoe on site, according to Mr. Steele, only gathering landscape boulders.

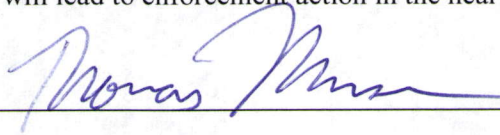
The highwall area had been seeded but was doing extremely poorly. We recommended in our 2005 inspection that he reseed this area, but Mr. Steele stated that he was not going to do this. The inspection ended after I finished GPS'ing the site. He has not marked his area with fence posts and could be subject to a violation if he extends his disturbance.

There was numerous empty and partially full barrels of fuel onsite with no protection or containment. This also will be considered a violation if it is not properly taken care of.

Conclusions and Recommendations:

The Division recommends he reseed the highwall area and roughen the area this fall. The Division also recommends he contact the Division to determine what he needs to do to complete his plan or bond the plan as approved. The operator has failed to complete the permit or post adequate reclamation bond which will lead to enforcement action in the near future.

Inspector's Signature



Date: 04/06/2006

tm:pb

cc: Robert Steele, Operator
Jerry Mansfield, BLM, Fillmore

Attachment: GPS & Photos

O:\M023-Juab\M0230071-HiCal\inspections\03242006ins-.doc

H1-CAL M 0230071



UNPERMITTED DISTURBANCE



HEAL M0230071

UNPERMITTED DISTURBANCE



UNPERMITTED DISTURBANCE



ITICAZ M0230071



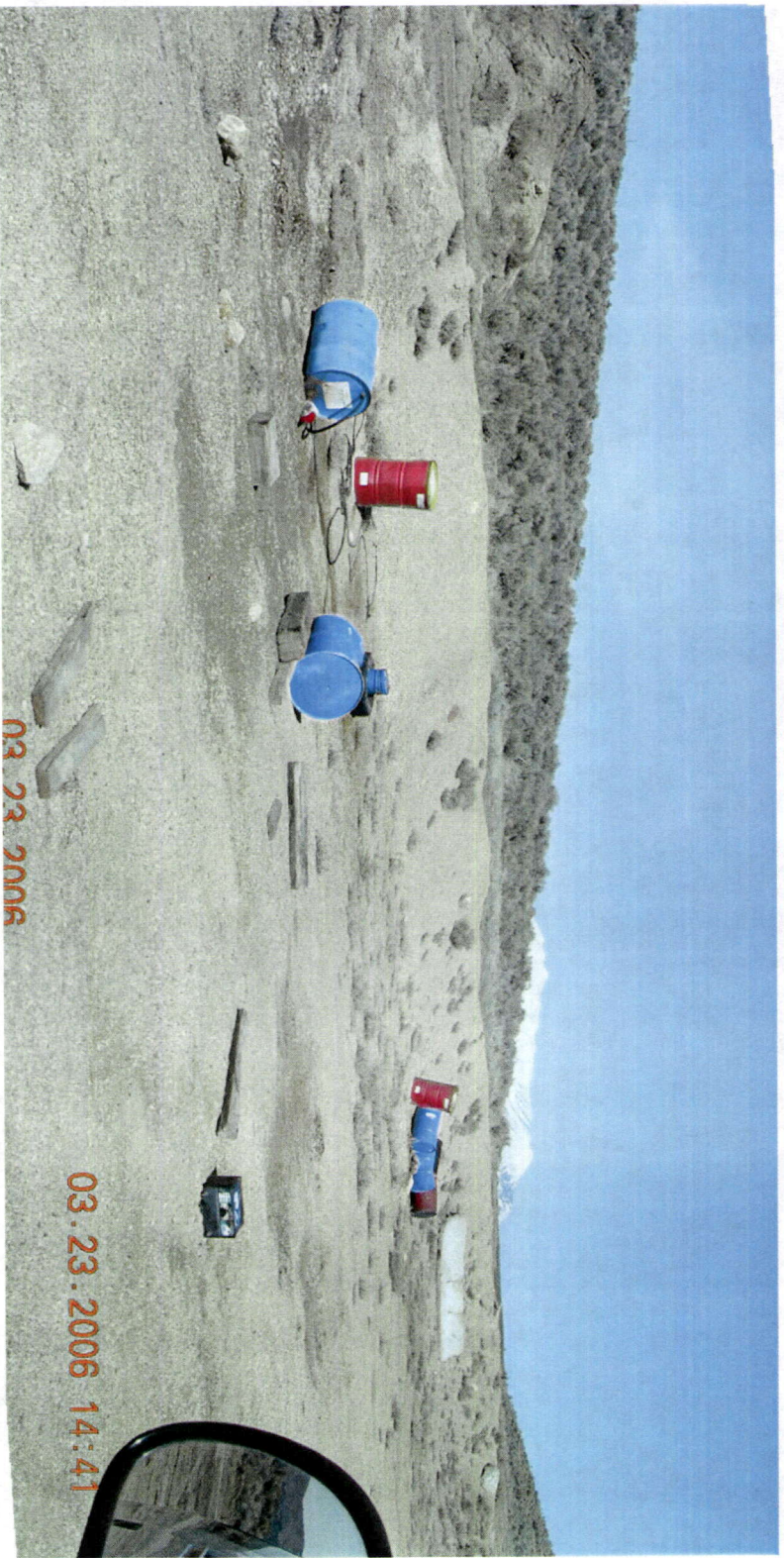
ACTIVE MINE SITE AND STOCK PILE



HICAZ MO230071



DIESEL FUEL
+
HYDRAULIC FLUID
MO230071



CLEAN UP NEEDED

HICAZ 1M0230071



ACTIVE AREA



Hicar mo 230071





HICAZ
m0230071



03.23

03.23.2006 14:42

HICAL M0230071



ACCESS TO
SITE
LOOKING SOUTH

LOOKING WEST
HICAL M0230071



03.23.2006 14:21

03.23.2006 14:21

Heal
MO230071



03.23.2006

03.23.2006 14

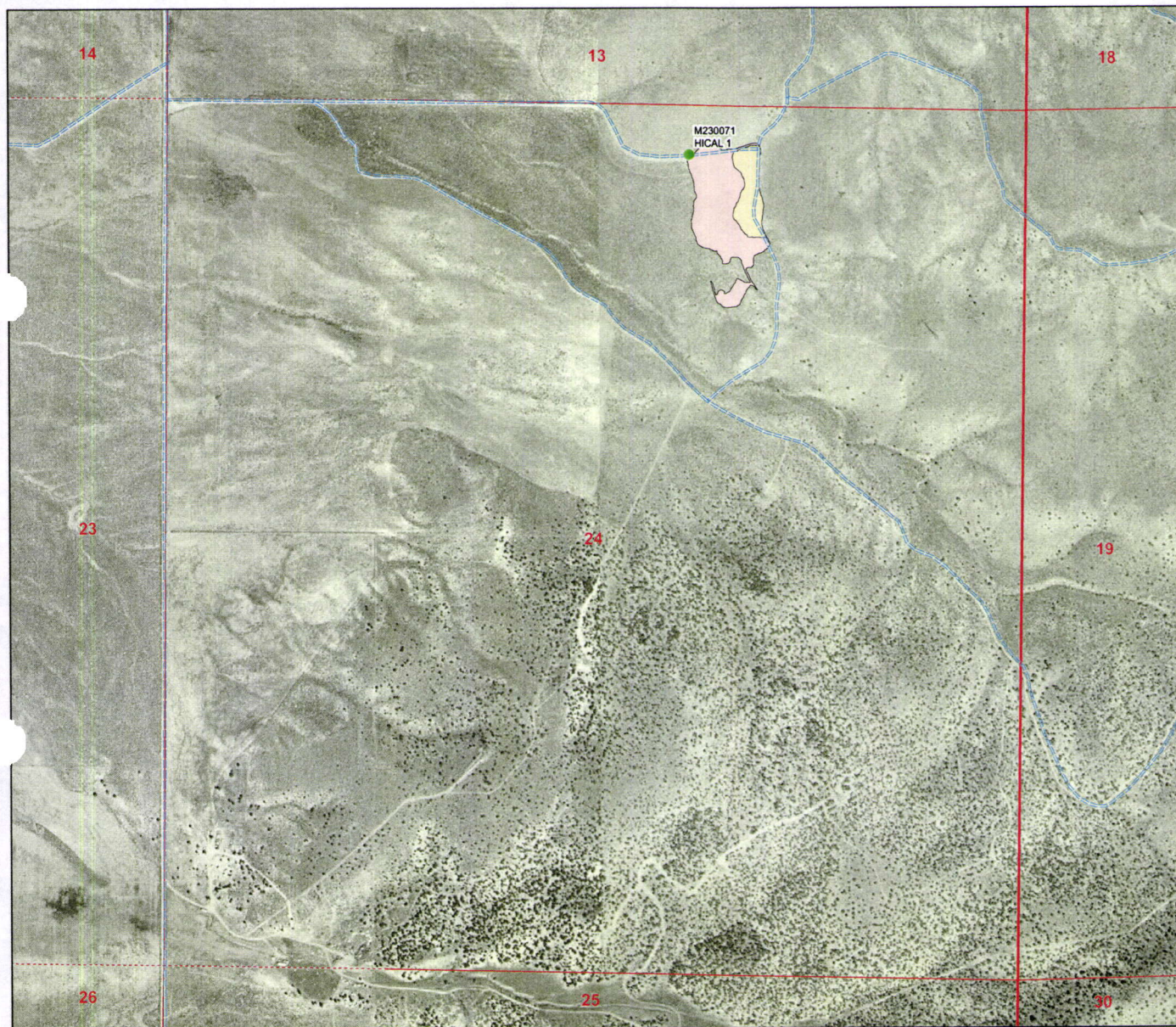
03.23.2006

03.23.2006 14 34

DIESEL FUEL
+
HYDRAULIC FLUID
MO230071



CLEAN UP NEEDED



Mine Number: M0230071
Mine Name: Hical 1
Township 13 S Range 02 W Section 24 SLBM

Inspection Date Mar. 24, 2006
 Map Produced by DKS

Acres Disturbed	5.2
Acres Regraded	1.75
Acres Seeded	0
Road Acres Disturbed	0

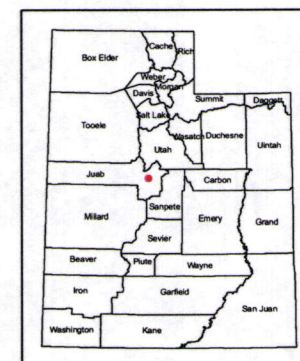
Total Acres Disturbed	6.95
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Acres Released	0
Acres Excluded	0
Acres PreExisting	0
Acres Prelaw	0

Legend
 All items symbolized in legend may not be appear on map

- | | |
|-----------------|---|
| County Boundary | Township or range Line |
| Access | Township or range line: location doubtful |
| Mine | Section line |
| NonMine | Section line: location doubtful |
| Other | Disturbed |
| Interstate | Regraded |
| US Route | Seeded |
| State Route | Released |
| Primary Route | Excluded |
| Secondary Route | PreExisting |
| Main Dirt Road | Prelaw |
| Unimproved Road | Bond Area |
| Interchange | SITLA Mineral Leases |
| Trail | BLM Leases |
| | CommunityPA |

DOQ imagery date 2004



0 625

Feet
 1:7,500 1 inch equals 625 feet
 Verify Scale

Dept. of Natural Resources
 Division of Oil, Gas, and Mining
 Mineral Mines Program

Different data sources and input scales
 may cause misalignment of data layers.
 This product may not meet DQGM
 standards for accuracy and content.